

ASH GROVE CEMENT COMPANY



8900 INDIAN CREEK PARKWAY, SUITE 600, P.O. BOX 25900
OVERLAND PARK, KANSAS 66225
PHONE 913 / 451-8900
DIRECT DIAL 913 / 319-6005
FAX 913 / 451-8324
E-MAIL: eileen.flink@ashgrove.com

m/023/004

EILEEN FLINK
ASSISTANT SECRETARY AND
ASSISTANT GENERAL COUNSEL

July 19, 2002

VIA FEDERAL EXPRESS

D. Wayne Hedberg
Permit Supervisor
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: M/023/004, Juab County, Utah

Dear Mr. Hedberg:

Enclosed is the executed Reclamation Contract for the Leamington Plant and Quarry. Changes were made to this form per the instructions of Joelle Burns of your office. The reference to the "Base Map" on Attachment A is one such addition. It is my understanding from Ms. Burns that your office already has a copy of this map. We have not included another copy with this submittal.

The Letter of Credit will be sent to your office directly by the Surety.

Please contact me with any questions or comments.

Sincerely,

Eileen Flink

Enclosure
c: Duane Crutchfield (w/enc.)



MEMBER
PORTLAND CEMENT ASSOCIATION

RECEIVED

JUL 22 2002

DIVISION OF
OIL, GAS AND MINING

FORM MR-RC
Revised April 4, 2001
RECLAMATION CONTRACT

File Number M/023/004

Effective Date Aug 21, 2002

Other Agency File Number USFS

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

Permit No. M/023/004
Limestone

"MINE LOCATION":
(Name of Mine)
(Description)

Leamington Plant and Quarry
100 miles south of Salt Lake City,
23.5 miles southwest of Nephi, 5 miles
northeast of Leamington, Juab and Millard Counties.

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)

669 acres
(refer to Attachment "A")

"OPERATOR":
(Company or Name)
(Address)

Ash Grove Cement Company
8900 Indian Creek Parkway, Suite 600
Overland Park, KS 66210
P.O. Box 25900 (66225)
913-451-8900

(Phone)

RECEIVED

JUL 22 2002

DIVISION OF
OIL, GAS AND MINING

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

CT Corporation System

50 West Broadway

8th Floor

Salt Lake City, Utah 84101-2006

"OPERATOR'S OFFICER(S)":

See Attachment C.

"SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Bank of America

#

"SURETY AMOUNT":

(Escalated Dollars)

\$4,372,057

"ESCALATION YEAR":

2006

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Ash Grove Cement Company the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/023/004 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated December 17, 1979*, and the original Reclamation Plan dated December 17, 1979*. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided

pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Ash Grove Cement Company
Operator Name

By John F. Woodfill, Vice President
Authorized Officer (Typed or Printed)

Authorized Officer - Position

John Woodfill
Officer's Signature

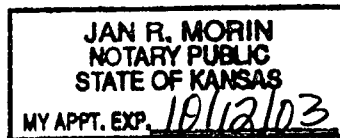
July 18, 2002
Date

STATE OF Kansas)
) ss:
COUNTY OF Johnson)

On the 19th day of July, 20 02, John F. Woodfill
personally appeared before me, who being by me duly sworn did say that he/she is the ____
Vice President of Ash Grove Cement Company and duly
acknowledged that said instrument was signed on behalf of said company by authority of
its bylaws or a resolution of its board of directors and said John F. Woodfill duly
acknowledged to me that said company executed the same.

JAN R. MORIN
Notary Public
Residing at Overland Park, Johnson County, Kansas

October 12, 2003
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

August 21. 2002
Date

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 21st day of August, 2002 Lowell P Braxton
personally appeared before me, who being duly sworn did say that he/she, the said _____
Lowell P Braxton is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that
he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: SLC UT

April 4. 2005
My Commission Expires:

ATTACHMENT "A"

Ash Grove Cement Company
Operator

Leamington Plant and Quarry
Mine Name

M/023/004
Permit Number

_____ County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed is:

The Leamington Cement Plant and the adjacent limestone quarry straddle Utah State Highway 132 in eastern Juab County, Utah. The Plant and the Quarry are located approximately 23.5 miles southwest of Nephi, Utah and 5 miles northeast of the town of Leamington, Utah. This location is approximately 100 miles south of Salt Lake City.

The Facility is situated south of and adjacent to the Sevier River in part of Sections 32, Section 33 and 34 - Township 14 South - Range 3 West and parts of Sections 3, 4 and 5 - Township 15 South - Range 3 West in Juab and Millard Counties.

As identified on attached "Base Map" dated 9/8/98 and revised 4/18/00.

ATTACHMENT "C"

OFFICERS OF ASH GROVE CEMENT COMPANY

Honorary Chairman of the Board	James P. Sunderland
Chairman of the Board of Directors	Charles T. Sunderland
Vice Chairman of the Board & Secretary	Kenton W. Sunderland
Vice Chairman – Strategic Relationships	George M. Wells
President & Chief Operating Officer	Charles T. Wiedenhoft
Senior Vice President & General Counsel	John H. Ross III
Vice President – Finance	John F. Woodfill
Vice President – Human Resources	Joseph C. Burke
Vice President – Environmental Affairs	Francis L. Streitman
Vice President – Manufacturing, Midwest Division	Edwin S. Pierce
Vice President – Marketing, Midwest Division	Ronald V. DeLeenheer
Vice President – Manufacturing, Western Division	William H. Siemering
Vice President – Manufacturing Services, Western Division	Kenneth J. Rone, Jr.
Vice President – Sales, Western Division	David H. Baker
Asst. Secretary & Asst. General Counsel	Gary L. Church
Asst. Secretary & Asst. General Counsel	Eileen Flink
Assistant Treasurer, Midwest Division	Debra A. Mays
Assistant Treasurer, Midwest Division	Mark J. Meads
Assistant Secretary, Western Division	Elizabeth J. Reardon
Asst. Treasurer & Controller, Western Div.	Paul D. Livesay

PAGE: 1

DATE: AUGUST 8, 2002

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: ~~000000~~

RECEIVED

AUG 09 2002

**DIVISION OF
OIL, GAS AND MINING**

BENEFICIARY
UTAH DIVISION OF OIL,
GAS AND MINING
1594 WEST NORTH TEMPLE,
SUITE 1210

APPLICANT
ASH GROVE CEMENT COMPANY
8900 INDIAN CREEK PARKWAY
SUITE 600
OVERLAND PARK, KS 66210

BOX 145801
SALT LAKE CITY, UT 84114-5801

AMOUNT
NOT EXCEEDING USD 4,372,057.00
NOT EXCEEDING FOUR MILLION THREE
HUNDRED SEVENTY TWO THOUSAND FIFTY
SEVEN AND 00/100'S US DOLLARS

EXPIRATION
JULY 24, 2003 AT OUR COUNTERS

GENTLEMEN AND LADIES:

1. BANK OF AMERICA, N.A., HEREBY ESTABLISHES THIS IRREVOCABLE STANDBY LETTER OF CREDIT (THE "LETTER OF CREDIT") IN FAVOR OF THE UTAH DIVISION OF OIL, GAS AND MINING ("DIVISION") FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$4,372,057.00 IN UNITED STATES DOLLARS ("FACE AMOUNT") EFFECTIVE IMMEDIATELY.

2. THIS LETTER OF CREDIT WILL EXPIRE UPON THE FIRST EVENT SET FORTH AS FOLLOWS:

(A) 5:00 O'CLOCK P.M. (LOS ANGELES TIME) ON JULY 24, 2003 OR;
(B) THE DATE UPON WHICH SUFFICIENT DOCUMENTS ARE EXECUTED BY THE DIVISION TO RELEASE ASH GROVE CEMENT COMPANY ("OPERATOR") FROM FURTHER LIABILITY FOR RECLAMATION OF THE LEAMINGTON PLANT AND QUARRY, M/023/004 WITH NOTICE TO BANK OF AMERICA, N.A. BY THE DIVISION ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT WITH DIRECTIONS FOR CANCELLATION.

3. THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR SUCCESSIVE PERIODS OF ONE (1) YEAR FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE, UNLESS BANK OF AMERICA, N.A. GIVES NOTICE TO THE DIVISION BY CERTIFIED MAIL OR OVERNIGHT COURIER AT LEAST NINETY (90) DAYS PRIOR TO THE CURRENT EXPIRATION THAT BANK OF AMERICA, N.A. ELECTS NOT TO RENEW THE LETTER OF CREDIT.

4. FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING LETTER OF CREDIT NO. DELIVERED TO THE OFFICE OF BANK OF AMERICA, N.A. AT 333 SOUTH BEAUDRY AVENUE, 19TH FLOOR, LOS ANGELES, CA 90017 ATTENTION STANDBY LETTER OF CREDIT DEPT., MAIL CODE: CA9-703-19-23. AT THE DIVISION'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. EACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B, PURPORTEDLY SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE DIVISION.

5. IF BANK OF AMERICA, N.A. RECEIVES THE DIVISION'S SIGHT DRAFT(S) AND CERTIFICATE(S) AS PROVIDED IN PARAGRAPH NO. 4 ABOVE ON OR BEFORE THE EXPIRATION OR TERMINATION OF THIS LETTER OF CREDIT, BANK OF AMERICA, N.A. WILL MAKE SUCH AMOUNT AS THE DIVISION MAY SPECIFY, WITHIN THE LIMITS OF THE SECOND SENTENCE OF PARAGRAPH NO. 4 OF THIS LETTER OF CREDIT, AVAILABLE TO THE DIVISION NO LATER THAN THE CLOSE

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 9

OF BUSINESS, LOS ANGELES TIME, ON THE SECOND BUSINESS DAY FOLLOWING THE BANK'S RECEIPT OF THE SIGHT DRAFT AND CERTIFICATE AND IN SUCH A MANNER AS THE DIVISION MAY SPECIFY.

6. THIS LETTER OF CREDIT WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH AND SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT, 1993 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME ("UCP"). IN THE EVENT OF A CONFLICT BETWEEN UTAH LAW AND THE UCP, UTAH LAW SHALL GOVERN.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 213-345-0042.

AUTHORIZED SIGNATURE
AMANY SOLIMAN

AUTHORIZED SIGNATURE
LAWRENCE BANALEE

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER:

EXHIBIT A-SIGHT DRAFT
TO
LETTER OF CREDIT NUMBER

DATE CITY, COUNTY LETTER OF CREDIT NO.

PAY TO THE ORDER OF: UTAH DIVISION OF OIL, GAS AND MINING

DOLLARS

TO: BANK OF AMERICA, N.A.

UTAH DIVISION OF OIL, GAS AND MINING
1594 WEST NORTH TEMPLE, SUITE 1210
BOX 145801

SALT LAKE CITY, UTAH 84114-5801
BY: _____
AUTHORIZED SIGNATURE

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER:

EXHIBIT B

TO

LETTER OF CREDIT NUMBER 3050382

I, _____ A DULY AUTHORIZED REPRESENTATIVE OF THE UTAH DIVISION OF OIL, GAS AND MINING, HEREBY CERTIFY THAT

(1) THE DRAWING IN THE AMOUNT OF \$ _____, BY SIGHT DRAFT ACCOMPANYING THIS CERTIFICATE, UNDER LETTER OF CREDIT NO. DATED _____ ISSUED BY YOU IS PERMITTED UNDER THE PROVISION OF THE LETTER OF CREDIT.

(2) THE LETTER OF CREDIT HAS NEITHER EXPIRED NOR TERMINATED PURSUANT TO ITS TERMS.

(3) THE AMOUNT OF THE SIGHT DRAFT, TOGETHER WITH ANY AMOUNTS PREVIOUSLY DRAWN UNDER THE LETTER OF CREDIT, DOES NOT EXCEED THE FACE AMOUNT.

(4) THE UTAH BOARD OF OIL, GAS AND MINING, AFTER NOTICE AND HEARING, HAS ENTERED AN ORDER WHICH HAS NOT BEEN STAYED, ORDERING FORFEITURE OF LETTER OF CREDIT NO. _____ IN ACCORDANCE WITH APPLICABLE LAW. PROCEEDS OF THIS DRAWING WILL BE UTILIZED IN FULL TO PAY THE EXPENSES RELATING TO THE RECLAMATION LIABILITY, TOGETHER WITH THE COSTS OF COLLECTION, INCLUDING ATTORNEYS FEES, FOR THE LEAMINGTON PLANT AND QUARRY, M/023/004.

THE UTAH DIVISION OF OIL, GAS AND MINING

BY: _____
AUTHORIZED SIGNATURE

DATE: _____